

## DECISION MEMORANDUM

**TO: COMMISSIONER KJELLANDER  
COMMISSIONER REDFORD  
COMMISSIONER SMITH  
COMMISSION SECRETARY  
COMMISSION STAFF  
LEGAL**

**FROM: KARL KLEIN  
DEPUTY ATTORNEY GENERAL**

**DATE: JULY 26, 2013**

**SUBJECT: TROY HOFFMAN WATER CORPORATION'S APPLICATION TO  
INCREASE RATES AND CHARGES,  
CASE NO. TRH-W-13-01**

On July 5, 2013, Troy Hoffman Water Corporation applied to the Idaho Public Utilities Commission for authority to increase its rates and charges for water service. On July 26, the Company filed corrected Application pages that reduce the amount of the proposed increase from 72% to 34%. The Company asks that the Commission process its Application by Modified Procedure, and that the new rates take effect on January 1, 2014.

### THE APPLICATION

Troy Hoffman Water Corporation provides water service to 146 residential customers and 1 commercial customer in Coeur d'Alene, Idaho. The Company has applied for a 34% increase in water rates as follows:

	<b>Current Rates</b>	<b>Proposed Rates</b>
Residential	\$11.80 per month plus \$1.10 per 1,000 gallons for all consumption exceeding 5,000 gallons per month	\$15.76 per month plus \$1.47 per 1,000 gallons for all consumption exceeding 5,000 gallons per month
Commercial	\$15.50 per month plus \$1.10 per 1,000 gallons for all consumption exceeding 5,000 gallons per month	\$20.70 per month plus \$1.47 per 1,000 gallons for all consumption exceeding 5,000 gallons per month

The Company bills customers on a bi-monthly basis.

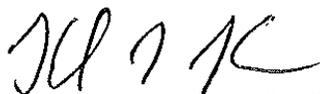
The Company says it did not seek a rate increase between 1996 and 2011 even though its operating expenses increased during that period. The Company then increased its rates in January 2011. *See* Order No. 32152. The Company says the January 2011 increase partially bridged the gap between its operating expense and income, but the Company needs another increase because operating expenses continue to exceed income.

#### **STAFF RECOMMENDATION**

Staff recommends the Commission issue a Notice of Application that suspends the proposed, January 1, 2014 effective date to ensure that the Commission has adequate time to process the case. A Notice of Modified Procedure setting comment deadlines, workshops, and a public hearing can be issued at a later time. Staff will endeavor to complete its work so the Commission may issue an Order as close to the originally proposed effective date as is practicable.

#### **COMMISSION DECISION**

Does the Commission wish to issue a Notice of Application and suspend the proposed effective date?



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Karl Klein  
Deputy Attorney General

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